



J. TYLER McCAULEY
AUDITOR-CONTROLLER

WENDY L. WATANABE
CHIEF DEPUTY

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 8, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**Review of the Treasury's Statement of Net Assets
for the Quarter Ended December 31, 2006**

County Code Section 2.10.070 requires the Auditor-Controller to perform reviews of the County Treasurer and Tax Collector's (Treasury) statement of assets every quarter, and to compare those amounts to the corresponding records of the Treasury and the Auditor-Controller. This report covers our review for the quarter ended December 31, 2006. Our review was limited to the following procedures:

1. Counted cash on hand as of November 14, 2006.
2. Confirmed Treasury's cash held by banks, and investments held by the Treasury's safekeeping agent and other custodians, as of December 31, 2006.
3. Tested bank account and investment reconciliations as of December 31, 2006.
4. Reconciled the total cash on hand and investments on hand, and cash and investments held by banks and other safekeeping agents as of December 31, 2006, to the totals shown on the books and records of the Treasury and the Auditor-Controller.

The County Code provides for limited reviews of the County Treasury for each quarter of the fiscal year, and an audit in accordance with generally accepted auditing standards for at least one quarter each fiscal year. Our review for the quarter ended December 31, 2006 was limited to performing the procedures discussed above, as prescribed by the County Code. Accordingly, we cannot express an opinion on the accuracy of the Treasury's books and records. During the annual audit of the Treasury as of June 30, 2007, a contract Certified Public Accountant will perform additional procedures in order to express an

opinion on the Treasury's records. The Treasury's quarterly Statement of Net Assets is attached.

This report is intended for the information of the Board of Supervisors and Treasury management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Please call me if you have any questions, or your staff may call Jim Schneiderman at (626) 293-1101.

Very truly yours,

A handwritten signature in black ink, reading "J. Tyler McCauley". The signature is fluid and cursive, with the first name "J. Tyler" and the last name "McCauley" clearly distinguishable.

J. Tyler McCauley
Auditor-Controller

JTM:MMO:JLS:TK

Attachment

- c: William T Fujioka, Chief Executive Officer
- Mark J. Saladino, Treasurer and Tax Collector
- Sachi A. Hamai, Executive Officer
- Public Information Office
- Audit Committee (6)

**LOS ANGELES COUNTY TREASURY
STATEMENT OF NET ASSETS
DECEMBER 31, 2006**

ASSETS

Total Treasury Cash On Hand	\$ 243,000	
Adjusted Bank Balance:		
Bank of America	41,039,397	
Bank of the West	232,709	
Citibank	509	
Union Bank	1,076,353	
Wells Fargo Bank	4,642,146	
Total Treasury Cash		\$ 47,234,114

Investments (Fair Market Value):

Pooled Surplus Investments	19,812,240,323	
Specific Purpose Investments	1,535,925,048	
Other Specific Investments (1)	43,603,265	
Total Investments		21,391,768,636

Interest Receivable:

Pooled Surplus Investments	147,828,906	
Specific Purpose Investments	19,445,614	
Other Specific Investments (1)	-	
Total Interest Receivable		167,274,520

TOTAL ASSETS **21,606,277,270**

LIABILITIES:

Trade Payables

Pooled Surplus Investments	80,323,539	
Specific Purpose Investments	-	
Other Specific Investments (1)	-	

TOTAL LIABILITIES **80,323,539**

TOTAL NET ASSETS HELD IN TRUST **\$ 21,525,953,731**

(1) These investments are not County Funds. The Treasury's involvement is stipulated by court orders and/or limited to accounting for the investments and providing custodial services through the Treasury's bank contract.